GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:228
ANSWERED ON:10.03.2000
STATES SHARE IN TAXES
VAIKO

Will the Minister of FINANCE be pleased to state:

(a) Whether the tax collection in a particular State is not taken into consideration while distributing revenues to different States by the Centre;

(b) if so, whether the most populous States are getting larger share irrespective of the amount of tax collection in their States;

(c) if so, the incentives to those States which have adopted family planning programmes and as a result thereof have less rate of growth of population; and

(d) the comparative analysis of tax collection in States and amount distributed to all States in the last three years?

Answer

MINISTER OF FINANCE (SHRI YASHWANT SINHA)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 228 FOR THE MARCH, 2000 ON `STATES SHARE IN TAXES.`

(a) Yes, Sir. This is in accordance with the accepted recommendations of the 10th Finance Commission

(b) Population of a State is one of the several factors taken into account while fixing inter se share of States in the shareable proceeds of income tax and Union excise duties (vide paras 5.47 and 5.48 of the report of the 10th Finance Commission).

(c) 1971 population is taken as the base.

(d) The details of collection during the last three years are as under:-

(In crores of Rupees)

	1996-97 (Actuals)		1997-98 (Actuals)		1998-99(RE)	
	Collection	Share of States	Collection	Share of States	Collection	Share of States
Income Tax	18234.00	13529.44	26655.00	21116.21	21430.00	14498.03
Excise Duty	45008.00	21578.00	47962.00	22446.00	53200.00	24665.06

Government accounts are not maintained according to State in which the taxes are collected.

State-wise allocation for the last three years is given in Annexure-I. These are subject to adjustment based on the certification of net proceeds by the Comptroller & Auditor General of India under Article 279 of the Constitution of India.